

By: Tutty GayH B. No. 3420

I certify this to be a true and correct  
copy of the indicated document as  
referred or transmitted to committee.

Chief Clerk of the House

## A BILL TO BE ENTITLED

## AN ACT

relating to a set-aside for certain colonia access roadway projects proposed by rural border counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1403, Government Code, is amended by adding Section 1403.003 to read as follows:

Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL BORDER

COUNTIES. (a) In this section:

(1) "Border colonia" means a border colonia as defined by commission rule under Section 1403.002.

(2) "Rural border county" means a county that:

(A) has a population of less than 25,000; and

(B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to two percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county.

(d) A grant under this section may be used by a rural border county to purchase any materials or equipment reasonably necessary to accomplish the goal of the project.

SECTION 2. The change in law made by this Act applies to proceeds from the sale of

general obligation bonds and notes that are distributed under Chapter 1403, Government Code, as amended by this Act, on or after the effective date of this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

# HOUSE COMMITTEE REPORT

1<sup>st</sup> Printing

03 APR 23 AM 2:30  
HOUSE OF REPRESENTATIVES

By: Garza, Guillen

H.B. No. 3420

Substitute the following for H.B. No. 3420:

By: Chavez

C.S.H.B. No. 3420

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(1) "Border colonia" means a border colonia as defined by commission rule under Section 1403.002.

(2) "Rural border county" means a county that:

(A) has a population of less than 55,000; and

(B) is adjacent to an international border.

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(c) The authority, as directed by the Texas Department of Transportation; shall provide a grant from the set-aside on a

1 priority basis to a rural border county that proposes to pave for  
2 the first time a road serving a border colonia located in that  
3 county.

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5 county to purchase any materials or equipment reasonably necessary  
6 to accomplish the goal of the project.

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12 a vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2003.

**The Honorable Tom Craddick**  
**Speaker of the House of Representatives**

Sir:

to whom was referred H.B. 3420 have had the same under consideration and beg to report back with the recommendation that it

- ☐ do pass, without amendment.  
☐ do pass, with amendment(s).  
☒ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.  
☒ yes   ☐ no   A fiscal note was requested.  
☐ yes   ☒ no   A criminal justice policy impact statement was requested.  
☐ yes   ☒ no   An equalized educational funding impact statement was requested.  
☐ yes   ☒ no   An actuarial analysis was requested.  
☐ yes   ☒ no   A water development policy impact statement was requested.  
☐ yes   ☒ no   A tax equity note was requested.  
☒ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

Joint Sponsors: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Co-Sponsors: \_\_\_\_\_

[illegible]

Total	<u>4</u>	aye
	<u>0</u>	nay
	<u>0</u>	present, not voting
	<u>2</u>	absent

CHAIR

Norma Rautz

## **BILL ANALYSIS**

C.S.H.B. 3420  
By: Garza  
Border and International Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Certain Texas-Mexico rural border communities known as colonias continue to experience substandard living conditions. Many of these colonias existed prior to 1989 when the legislature began to address the issue. S.B. 1296 passed in the 77th Legislature authorized the issuance of general obligation bonds to aid counties in roadway improvement projects to serve colonias and has provided the means to constructively address certain challenges faced by these communities. C.S.H.B. 3420 would provide for a set-aside of funds generated from the general obligation bonds issued under S.B. 1296 to pave roads for the first time in rural border counties.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **ANALYSIS**

SECTION 1. C.S.H.B. 3420 amends the Chapter 1403 of the Government Code - General Obligation Bonds for Certain Border Colonia Projects to define a border rural county as a county has a population of less than 55,000 and is adjacent to an international border. C.S.H.B. 3420 requires the Texas Public Finance Authority (authority) to set aside an amount equal to five percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pace roads serving border colonias. The bill requires the authority, as directed by the Texas Department of Transportation, to provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county. C.S.H.B. 3420 specifies that the grant may be used to purchase any materials or equipment reasonably necessary to accomplish the goal of the project.

SECTION 2. Prospective clause.

SECTION 3. Effective Date.

### **EFFECTIVE DATE**

On passage, or if the Act does not receive the necessary vote, this Act takes effect September 1, 2003.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute amends the original by increasing the maximum population of a rural border county from 25,000 to 55,000. The substitute also amends the original by changing the amount of the set aside from two percent to five percent.

## SUMMARY OF COMMITTEE ACTION

HB 3420

April 16, 2003      7:55AM

Considered in public hearing

Testimony taken in committee (See attached witness list.)

Committee substitute considered in committee

Recommended to be sent to Local & Consent

Reported favorably as substituted

x<sup>2</sup>

WITNESS LIST

HB 3420  
HOUSE COMMITTEE REPORT  
Border and International Affairs Committee

April 15, 2003 - 8:00AM

For: Agan, Jerry C. (Presidio County Commissioners Court)  
Uribe, Hector (Zapata County Commissioners Court)  
On: Saenz, Amadeo (TxDOT)  
Registering, but not testifying:  
On: Tessen, Robert J. "Sam" (Office of Rural Community  
Affairs)



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 21, 2003**

**TO:** Honorable Norma Chavez, Chair, House Committee on Border and International Affairs

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **HB3420** by Garza (Relating to a set-aside for certain colonia access roadway projects proposed by rural border counties. ), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The substitute for the bill would amend Government Code, Chapter 1403 (relating to issuance of general obligation bonds to finance colonia roadway projects) and require the Texas Public Finance Authority (TPFA) to set-aside 5 percent of the proceeds of any issue of general obligation bonds or notes to provide grants to rural border counties with a population of less than 25,000 on an international border. The Texas Department of Transportation (TxDOT) would provide grants from the set-aside on a priority basis to rural border counties that pave a road serving a border colonia located in that county for the first time.

The bill does not authorize additional debt, and therefore would not create additional debt service requirements. Minimal administrative expenses would be incurred by TPFA in tracking the set-aside of bond proceeds, and by TxDOT in administering grants to the seven counties eligible to receive funding from the set-aside. The agencies indicated that the provisions of the bill could be implemented with existing staff and resources.

**Local Government Impact**

Counties that meet the requirements of the bill (population less than 55,000 on an international border) are Brewster, Hudspeth, Jeff Davis, Kinney, Maverick, Presidio, Starr, Terrell, Val Verde, and Zapata.

Jeff Davis County (population 2,000, annual budget \$1,017,726) reported that they were paving their first street and had insufficient information to provide financial impact information for their county, but added that the bill would increase the likelihood that the county would be able to pave more roads more quickly.

Presidio County (population 7,304) reported that the bill would allow the county to purchase equipment with which they could pave the streets themselves, instead of paying a premium to an outside contractor to move equipment and personnel to the county's rural location. By paving their own roads, the county would be able to complete twice as much construction with the same amount of funds.

Terrell County (population 1,081) reported that the provisions of the bill would allow the county, which is in a rural location, to offset the added costs of importing contractors to pave roads.

Zapata County (population 12,182, annual budget \$18,522,977) reported that the bill could provide approximately \$350,000 per year to their county, based on allocations to the county in fiscal year 2002. These funds represent approximately 1.9 percent of the county's total budget.

**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation  
JK, KG, EB, ZS

**LBB Staff:**

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 14, 2003**

**TO:** Honorable Norma Chavez, Chair, House Committee on Border and International Affairs

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3420** by Garza (Relating to a set-aside for certain colonia access roadway projects proposed by rural border counties.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
-----------------------------------------------------------------------

The bill would amend Government Code, Chapter 1403 (relating to issuance of general obligation bonds to finance colonia roadway projects) and require the Texas Public Finance Authority (TPFA) to set-aside 2 percent of the proceeds of any issue of general obligation bonds or notes to provide grants to rural border counties with a population of less than 25,000 on an international border. The Texas Department of Transportation (TxDOT) would provide grants from the set-aside on a priority basis to rural border counties that pave a road serving a border colonia located in that county for the first time.

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**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation  
**LBB Staff:** JK, EB, ZS, KG

ADOPTED

MAY 02 2003

Robert Harvey  
Chief Clerk  
House of Representatives

as amended

By: Isidro Garza (Garza)

H.B. No. 3420

Substitute the following for H.B. No. 3420:

By: J. Chavez

C.S. B. No. 3420

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Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL BORDER COUNTIES. (a) In this section:

(1) "Border colonia" means a border colonia as defined by commission rule under Section 1403.002.

(2) "Rural border county" means a county that:

(A) has a population of less than 55,000; and

(B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to five percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a

1 priority basis to a rural border county that proposes to pave for  
2 the first time a road serving a border colonia located in that  
3 county.

4 (d) A grant under this section may be used by a rural border  
5 county to purchase any materials or equipment reasonably necessary  
6 to accomplish the goal of the project.

7 SECTION 2. The change in law made by this Act applies to  
8 proceeds from the sale of general obligation bonds and notes that  
9 are distributed under Chapter 1403, Government Code, as amended by  
10 this Act, on or after the effective date of this Act.

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12 a vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2003.

LIST OF HOUSE AMENDMENTS PREVIOUSLY UNDER CONSIDERATION

HB3420-Second Reading

<u>AMENDMENT#</u>	<u>AUTHOR</u>	<u>DESCRIPTION</u>	<u>ACTION</u>
1	Reyna	Amendment	Adopted

*Floor*

COMMITTEE AMENDMENT NO. 1



ADOPTED

MAY 02 2003

Robert Hamby  
Chief Clerk  
House of Representatives

*KAB*  
*Elvira Reyna*  
*ct*

Amend C.S.H.B. No. 3420 as follows:

✓✓(1) On page 1, line 18, strike "five" and substitute "10".

✓(2) Strike proposed Subsection (c) of Section 1403.003, Government Code (page 1, line 23, through page 2, line 3) and substitute the following: *(( Insert 1 ))*

*h* (c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county. The grant may include funds to construct or improve water or wastewater facilities concurrently with that road paving.



F

# HOUSE ENGROSSMENT

By: Garza, Guillen

H.B. No. 3420

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(B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to 10 percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a

1 priority basis to a rural border county that proposes to pave for  
2 the first time a road serving a border colonia located in that  
3 county. The grant may include funds to construct or improve water  
4 or wastewater facilities concurrently with that road paving.

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**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **HB3420** by Garza (Relating to a set-aside for certain colonia access roadway projects proposed by rural border counties. ), **Committee Report 1st House, Substituted**

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**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation  
JK, KG, EB, ZS

**LBB Staff:**

2

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

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**FROM:** John Keel, Director, Legislative Budget Board

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**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation  
**LBB Staff:** JK, EB, ZS, KG

By: Garza, Guillen (Senate Sponsor - Madla) H.B. No. 3420  
(In the Senate - Received from the House May 5, 2003;  
May 7, 2003, read first time and referred to Committee on  
International Relations and Trade; May 20, 2003, reported  
adversely, with favorable Committee Substitute by the following  
vote: Yeas 4, Nays 0; May 20, 2003, sent to printer.)

COMMITTEE SUBSTITUTE FOR H.B. No. 3420

By: Lucio

A BILL TO BE ENTITLED  
AN ACT

relating to a set-aside for certain colonia access roadway projects  
proposed by rural border counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1403, Government Code, is amended by  
adding Sections 1403.003 and 1403.004 to read as follows:

Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL  
BORDER COUNTIES. (a) In this section:

(1) "Border colonia" means a border colonia as defined  
by commission rule under Section 1403.002.

(2) "Rural border county" means a county that:

(A) has a population of less than 55,000; and

(B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of  
the proceeds from the sale of general obligation bonds and notes  
under this chapter to provide financial assistance for specific  
colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to five  
percent of the proceeds from each sale of general obligation bonds  
and notes under this chapter to provide financial assistance for  
colonia access roadway projects designed to pave roads serving  
border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of  
Transportation, shall provide a grant from the set-aside on a  
priority basis to a rural border county that proposes to pave for  
the first time a road serving a border colonia located in that  
county.

Sec. 1403.004. USE OF GRANTS FOR PROJECT MATERIALS OR  
EQUIPMENT. A grant under this chapter may be used to purchase any  
materials or to lease any equipment as reasonably necessary to  
accomplish the goal of the project. Materials purchased as  
permitted by this section must be used solely in connection with the  
project. Equipment leased as permitted by this section must be used  
substantially in connection with the project throughout the period  
of the applicable lease.

SECTION 2. The change in law made by this Act applies to  
proceeds from the sale of general obligation bonds and notes that  
are distributed under Chapter 1403, Government Code, as amended by  
this Act, on or after the effective date of this Act.

SECTION 3. This Act takes effect immediately if it receives  
a vote of two-thirds of all the members elected to each house, as  
provided by Section 39, Article III, Texas Constitution. If this  
Act does not receive the vote necessary for immediate effect, this  
Act takes effect September 1, 2003.

\* \* \* \* \*

FAVORABLY AS SUBSTITUTED  
SENATE COMMITTEE REPORT ON

SB SCR SJR SR (HB) HCR HJR 3420  
By Garza/Madla  
(Author/Senate Sponsor)  
May 20, 2003  
(date)

We, your Committee on INTERNATIONAL RELATIONS AND TRADE, to which was referred the attached measure,  
have on May 16, 2003, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed  
☒ the caption remained the same as original measure  
☐ the caption changed with adoption of the substitute  
☐ do pass as substituted, and be ordered not printed  
☒ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☒ yes ☐ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Eddie Lucio, Chair	<input checked="" type="checkbox"/>			
Senator Eliot Shapleigh, Vice-Chair			<input checked="" type="checkbox"/>	
Senator Teel Bivins			<input checked="" type="checkbox"/>	
Senator John Carona			<input checked="" type="checkbox"/>	
Senator Craig Estes	<input checked="" type="checkbox"/>			
Senator Jane Nelson	<input checked="" type="checkbox"/>			
Senator Judith Zaffirini	<input checked="" type="checkbox"/>			
TOTAL VOTES	4	0	3	0

COMMITTEE ACTION

- ☒ S260 Considered in public hearing  
☐ S270 Testimony taken

Laura Garcia  
COMMITTEE CLERK

Eddie Lucio  
CHAIR

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute  
Retain one copy of this form for Committee files



WITNESS LIST

HB 3420

SENATE COMMITTEE REPORT

International Relations and Trade

May 14, 2003 - 1:30PM

Registering, but not testifying:

FOR:        Uribe, Hector   (Zapata County Commissioners Court), Zapata, TX

ON:         Saenz, Amadeo Assistant Executive Director (Texas Department of Transportation),  
              Austin, TX

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 3420  
By: Garza (Madla)  
International Relations and Trade  
5/18/2003  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Currently, certain Texas-Mexico rural border communities known as colonias continue to experience substandard living conditions. Many of these colonias existed prior to 1989, when the Texas Legislature began to address the issues that these communities faced. S.B. 1296, passed by the 77th Texas Legislature, authorized the issuance of general obligations bonds to aid counties in roadway improvement projects to serve colonias and provided a means to constructively address certain challenges faced by these communities. C.S.H.B. 3420 provides for a set-aside of funds generated from the general obligation bonds issued under S.B. 1296 to pave roads in rural border counties.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 1403, Government Code, by adding Section 1403.003 and 1403.004, as follows:

Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL BORDER COUNTIES. (a) Defines "border colonia," "rural border county," and "set-aside."

(b) Requires the Texas Public Finance Authority (authority) to set aside an amount equal to five percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) Requires the authority, as directed by the Texas Department of Transportation, to provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county.

(d) Authorizes a grant under this section to be used by a rural border county to purchase any materials or equipment reasonably necessary to accomplish the goal of the project.

Sec. 1403.004. USE OF GRANTS FOR PROJECT MATERIALS OR EQUIPMENT. Authorizes a grant under this subchapter to be used to purchase any materials or to lease any equipment as reasonably necessary to accomplish the goal of the project. Requires materials purchased as permitted by this subsection to be used solely in connection with the project. Requires equipment leased as permitted by this subsection to be used substantially in connection with the project throughout the period of the applicable lease.

SECTION 2. Provides that the change in law made by this Act applies to proceeds from the sale of general obligation bonds and notes that are distributed under Chapter 1403, Government Code, as amended by this Act, on or after the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2003.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**May 19, 2003**

**TO:** Honorable Eddie Lucio, Jr., Chair, Senate Committee on International Relations and Trade

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** HB3420 by Garza (Relating to a set-aside for certain colonia access roadway projects proposed by rural border counties. ), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The substitute for the bill would amend Government Code, Chapter 1403 (relating to issuance of general obligation bonds to finance colonia roadway projects) and require the Texas Public Finance Authority (TPFA) to set-aside five percent of the proceeds of any issue of general obligation bonds or notes to provide grants to rural border counties with a population of less than 25,000 on an international border. The Texas Department of Transportation (TxDOT) would provide grants from the set-aside on a priority basis to rural border counties that pave a road serving a border colonia located in that county for the first time.

The bill does not authorize additional debt, and therefore would not create additional debt service requirements. Minimal administrative expenses would be incurred by TPFA in tracking the set-aside of bond proceeds, and by TxDOT in administering grants to the seven counties eligible to receive funding from the set-aside. The agencies indicated that the provisions of the bill could be implemented with existing staff and resources.

**Local Government Impact**

Counties that meet the requirements of the bill (population less than 55,000 on an international border) are Brewster, Hudspeth, Jeff Davis, Kinney, Maverick, Presidio, Starr, Terrell, Val Verde, and Zapata.

Jeff Davis County (population 2,000, annual budget \$1,017,726) reported that they were paving their first street and had insufficient information to provide financial impact information for their county, but added that the bill would increase the likelihood that the county would be able to pave more roads more quickly.

Presidio County (population 7,304) reported that the bill would allow the county to purchase equipment with which they could pave the streets themselves, instead of paying a premium to an outside contractor to move equipment and personnel to the county's rural location. By paving their own roads, the county would be able to complete twice as much construction with the same amount of funds.

Terrell County (population 1,081) reported that the provisions of the bill would allow the county, which is in a rural location, to offset the added costs of importing contractors to pave roads.

Zapata County (population 12,182, annual budget \$18,522,977) reported that the bill could provide approximately \$350,000 per year to their county, based on allocations to the county in fiscal year 2002. These funds represent approximately 1.9 percent of the county's total budget.

**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation

**LBB Staff:** JK, KG, EB, ZS

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 9, 2003

**TO:** Honorable Eddie Lucio, Jr., Chair, Senate Committee on International Relations and Trade

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3420** by Garza (Relating to a set-aside for certain colonia access roadway projects proposed by rural border counties.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The substitute for the bill would amend Government Code, Chapter 1403 (relating to issuance of general obligation bonds to finance colonia roadway projects) and require the Texas Public Finance Authority (TPFA) to set-aside ten percent of the proceeds of any issue of general obligation bonds or notes to provide grants to rural border counties with a population of less than 25,000 on an international border. The Texas Department of Transportation (TxDOT) would provide grants from the set-aside on a priority basis to rural border counties that pave a road serving a border colonia located in that county for the first time.

The bill does not authorize additional debt, and therefore would not create additional debt service requirements. Minimal administrative expenses would be incurred by TPFA in tracking the set-aside of bond proceeds, and by TxDOT in administering grants to the seven counties eligible to receive funding from the set-aside. The agencies indicated that the provisions of the bill could be implemented with existing staff and resources.

#### Local Government Impact

Counties that meet the requirements of the bill (population less than 55,000 on an international border) are Brewster, Hudspeth, Jeff Davis, Kinney, Maverick, Presidio, Starr, Terrell, Val Verde, and Zapata.

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**LBB Staff: JK, KG, EB, ZS**

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 21, 2003

**TO:** Honorable Norma Chavez, Chair, House Committee on Border and International Affairs

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **HB3420** by Garza (Relating to a set-aside for certain colonia access roadway projects proposed by rural border counties. ), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The substitute for the bill would amend Government Code, Chapter 1403 (relating to issuance of general obligation bonds to finance colonia roadway projects) and require the Texas Public Finance Authority (TPFA) to set-aside 5 percent of the proceeds of any issue of general obligation bonds or notes to provide grants to rural border counties with a population of less than 25,000 on an international border. The Texas Department of Transportation (TxDOT) would provide grants from the set-aside on a priority basis to rural border counties that pave a road serving a border colonia located in that county for the first time.

The bill does not authorize additional debt, and therefore would not create additional debt service requirements. Minimal administrative expenses would be incurred by TPFA in tracking the set-aside of bond proceeds, and by TxDOT in administering grants to the seven counties eligible to receive funding from the set-aside. The agencies indicated that the provisions of the bill could be implemented with existing staff and resources.

#### Local Government Impact

Counties that meet the requirements of the bill (population less than 55,000 on an international border) are Brewster, Hudspeth, Jeff Davis, Kinney, Maverick, Presidio, Starr, Terrell, Val Verde, and Zapata.

Jeff Davis County (population 2,000, annual budget \$1,017,726) reported that they were paving their first street and had insufficient information to provide financial impact information for their county, but added that the bill would increase the likelihood that the county would be able to pave more roads more quickly.

Presidio County (population 7,304) reported that the bill would allow the county to purchase equipment with which they could pave the streets themselves, instead of paying a premium to an outside contractor to move equipment and personnel to the county's rural location. By paving their own roads, the county would be able to complete twice as much construction with the same amount of funds.

Terrell County (population 1,081) reported that the provisions of the bill would allow the county, which is in a rural location, to offset the added costs of importing contractors to pave roads.

Zapata County (population 12,182, annual budget \$18,522,977) reported that the bill could provide approximately \$350,000 per year to their county, based on allocations to the county in fiscal year 2002. These funds represent approximately 1.9 percent of the county's total budget.

**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation  
JK, KG, EB, ZS



**LBB Staff:**

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 14, 2003

TO: Honorable Norma Chavez, Chair, House Committee on Border and International Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB3420** by Garza (Relating to a set-aside for certain colonia access roadway projects proposed by rural border counties.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Government Code, Chapter 1403 (relating to issuance of general obligation bonds to finance colonia roadway projects) and require the Texas Public Finance Authority (TPFA) to set-aside 2 percent of the proceeds of any issue of general obligation bonds or notes to provide grants to rural border counties with a population of less than 25,000 on an international border. The Texas Department of Transportation (TxDOT) would provide grants from the set-aside on a priority basis to rural border counties that pave a road serving a border colonia located in that county for the first time.

The bill does not authorize additional debt, and therefore would not create additional debt service requirements. Minimal administrative expenses would be incurred by TPFA in tracking the set-aside of bond proceeds, and by TxDOT in administering grants to the seven counties eligible to receive funding from the set-aside.

The agencies indicated that the provisions of the bill could be implemented with existing staff and resources.

**Local Government Impact**

Counties that meet the requirements of the bill (population less than 25,000 on an international border) are Brewster, Hudspeth, Jeff Davis, Kinney, Presidio, Terrell, and Zapata. These seven counties were contacted for fiscal information and four responded.

Zapata County (population 12,182, annual budget \$18,522,977) reported that the bill could provide approximately \$350,000 per year to their county, based on allocations to the county in fiscal year 2002. These funds represent approximately 1.9 percent of the county's total budget.

Presidio County (population 7,304) reported that the bill would allow the county to purchase equipment with which they could pave the streets themselves, instead of paying a premium to an outside contractor to move equipment and personnel to the county's rural location. By paving their own roads, the county would be able to complete twice as much construction with the same amount of funds.

Terrell County (population 1,081) reported that the provisions of the bill would allow the county, which is in a rural location, to offset the added costs of importing contractors to pave roads.

Jeff Davis County (population 2,000, annual budget \$1,017,726) reported that they were paving their first street and had insufficient information to provide financial impact information for their county, but added that the bill would increase the likelihood that the county would be able to pave more roads more quickly.

**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation  
**LBB Staff:** JK, EB, ZS, KG

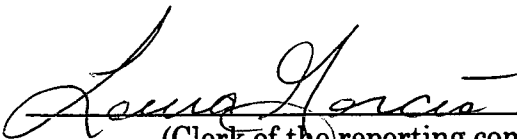
## REQUEST FOR LOCAL & UNCONTESTED CALENDAR PLACEMENT

SENATOR CHRIS HARRIS, CHAIRMAN  
SENATE COMMITTEE ON ADMINISTRATION

Notice is hereby given that HB 3420, by Garza / Madla,  
(Bill No.) (Author/Sponsor)

was heard by the Committee on International Relations and Trade on May 16<sup>th</sup>, 2003,

and reported out with the recommendation that it be placed on the Local and Uncontested Calendar.

  
(Clerk of the reporting committee)

**IMPORTANT: A COPY OF THIS FORM MUST BE ATTACHED TO A COMMITTEE PRINTED VERSION OF THE BILL OR RESOLUTION AND SHOULD BE DELIVERED TO THE ADMINISTRATION COMMITTEE OFFICE, E1.714. DEADLINES FOR SUBMITTING BILLS AND RESOLUTIONS WILL BE ANNOUNCED ON A REGULAR BASIS.**

ADOPTED

MAY 28 2003

*Larry Spaw*  
Secretary of the Senate

By: Garza/Madla

H.B. No. 3420

Substitute the following for H.B. No. 3420:

By: Lucio

C.S. H.B. No. 3420

A BILL TO BE ENTITLED

AN ACT

relating to a set-aside for certain colonia access roadway projects proposed by rural border counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1403, Government Code, is amended by adding Sections 1403.003 and 1403.004 to read as follows:

Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL BORDER COUNTIES. (a) In this section:

(1) "Border colonia" means a border colonia as defined by commission rule under Section 1403.002.

(2) "Rural border county" means a county that:

(A) has a population of less than 55,000; and

(B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to five percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a

1 priority basis to a rural border county that proposes to pave for  
2 the first time a road serving a border colonia located in that  
3 county.

4 Sec. 1403.004. USE OF GRANTS FOR PROJECT MATERIALS OR  
5 EQUIPMENT. A grant under this chapter may be used to purchase any  
6 materials or to lease any equipment as reasonably necessary to  
7 accomplish the goal of the project. Materials purchased as  
8 permitted by this section must be used solely in connection with the  
9 project. Equipment leased as permitted by this section must be used  
10 substantially in connection with the project throughout the period  
11 of the applicable lease.

12 SECTION 2. The change in law made by this Act applies to  
13 proceeds from the sale of general obligation bonds and notes that  
14 are distributed under Chapter 1403, Government Code, as amended by  
15 this Act, on or after the effective date of this Act.

16 SECTION 3. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2003.

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

92 MAY 20 11 53 AM  
HOUSE OF REPRESENTATIVES

By: Garza, Guillen

H.B. No. 3420

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(B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to 10 percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a

1 priority basis to a rural border county that proposes to pave for  
2 the first time a road serving a border colonia located in that  
3 county. The grant may include funds to construct or improve water  
4 or wastewater facilities concurrently with that road paving.

5 (d) A grant under this section may be used by a rural border  
6 county to purchase any materials or equipment reasonably necessary  
7 to accomplish the goal of the project.

8 SECTION 2. The change in law made by this Act applies to  
9 proceeds from the sale of general obligation bonds and notes that  
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16 Act takes effect September 1, 2003.



ADOPTED

MAY 28 2003

*Atty. Gen.*  
Secretary of the Senate

By: Garza/Medla

H.B. No. 3420

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By: Lucio

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(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to five percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

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1 priority basis to a rural border county that proposes to pave for  
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**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**May 19, 2003**

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<b>No significant fiscal implication to the State is anticipated.</b>
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The bill does not authorize additional debt, and therefore would not create additional debt service requirements. Minimal administrative expenses would be incurred by TPFA in tracking the set-aside of bond proceeds, and by TxDOT in administering grants to the seven counties eligible to receive funding from the set-aside. The agencies indicated that the provisions of the bill could be implemented with existing staff and resources.

**Local Government Impact**

Counties that meet the requirements of the bill (population less than 55,000 on an international border) are Brewster, Hudspeth, Jeff Davis, Kinney, Maverick, Presidio, Starr, Terrell, Val Verde, and Zapata.

Jeff Davis County (population 2,000, annual budget \$1,017,726) reported that they were paving their first street and had insufficient information to provide financial impact information for their county, but added that the bill would increase the likelihood that the county would be able to pave more roads more quickly.

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**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation

**LBB Staff:** JK, KG, EB, ZS

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**LEGISLATIVE BUDGET BOARD**

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**LBB Staff:**

6



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IN RE: **HB3420** by Garza (Relating to a set-aside for certain colonia access roadway projects proposed by rural border counties.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Government Code, Chapter 1403 (relating to issuance of general obligation bonds to finance colonia roadway projects) and require the Texas Public Finance Authority (TPFA) to set-aside 2 percent of the proceeds of any issue of general obligation bonds or notes to provide grants to rural border counties with a population of less than 25,000 on an international border. The Texas Department of Transportation (TxDOT) would provide grants from the set-aside on a priority basis to rural border counties that pave a road serving a border colonia located in that county for the first time.

The bill does not authorize additional debt, and therefore would not create additional debt service requirements. Minimal administrative expenses would be incurred by TPFA in tracking the set-aside of bond proceeds, and by TxDOT in administering grants to the seven counties eligible to receive funding from the set-aside.

The agencies indicated that the provisions of the bill could be implemented with existing staff and resources.

**Local Government Impact**

Counties that meet the requirements of the bill (population less than 25,000 on an international border) are Brewster, Hudspeth, Jeff Davis, Kinney, Presidio, Terrell, and Zapata. These seven counties were contacted for fiscal information and four responded.

Zapata County (population 12,182, annual budget \$18,522,977) reported that the bill could provide approximately \$350,000 per year to their county, based on allocations to the county in fiscal year 2002. These funds represent approximately 1.9 percent of the county's total budget.

Presidio County (population 7,304) reported that the bill would allow the county to purchase equipment with which they could pave the streets themselves, instead of paying a premium to an outside contractor to move equipment and personnel to the county's rural location. By paving their own roads, the county would be able to complete twice as much construction with the same amount of funds.

Terrell County (population 1,081) reported that the provisions of the bill would allow the county, which is in a rural location, to offset the added costs of importing contractors to pave roads.

Jeff Davis County (population 2,000, annual budget \$1,017,726) reported that they were paving their first street and had insufficient information to provide financial impact information for their county, but added that the bill would increase the likelihood that the county would be able to pave more roads more quickly.

**Source Agencies:** 347 Public Finance Authority, 601 Department of Transportation  
**LBB Staff:** JK, EB, ZS, KG

8

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

MAY 30, 2003

12:00 PM Date

**ADOPTED**

MAY 31 2003

Robert Haney  
Chief Clerk  
House of Representatives

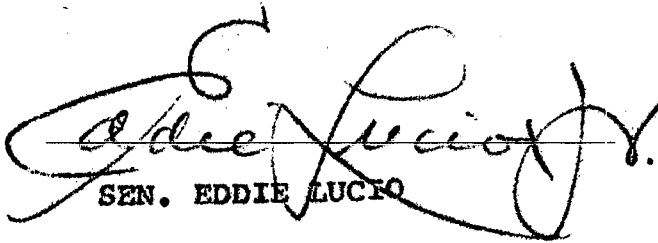
Honorable David Dewhurst  
President of the Senate

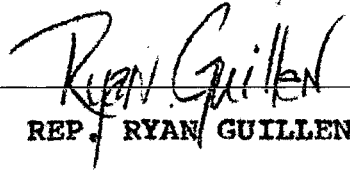
Honorable Tom Craddick  
Speaker of the House of Representatives

146 yeas, 0 nays, 1 present, not voting

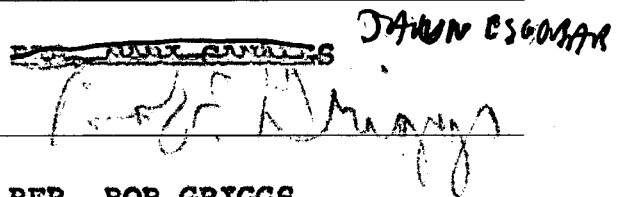
Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 3420 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

  
SEN. EDDIE LUCIO

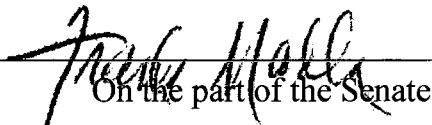
  
REP. RYAN GUILLEN

SEN. LETICIA VAN DE PUTTE

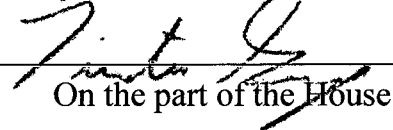
  
REP. BOB GRIGGS

SEN. KIM BRIMER

SEN. CHRIS HARRIS

  
On the part of the Senate

REP. NORMA CHAVEZ

  
On the part of the House

SEN FRANK MADLA

REP TIMOTEO GARZA

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

MAY 30, 2003  
~~MAY 27, 2003~~

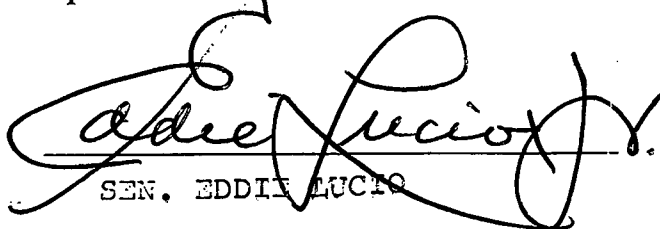
Date

Honorable David Dewhurst  
President of the Senate

Honorable Tom Craddick  
Speaker of the House of Representatives

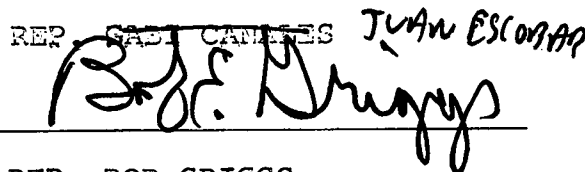
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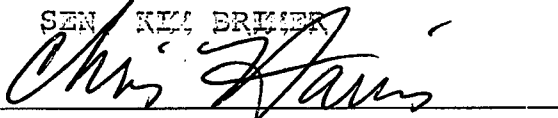
  
SEN. EDDIE LUCIO

  
REP. RYAN GUILLEN

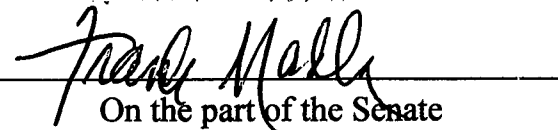
SEN. LETICIA VAN DE PUTTE

REP. SANTI CARRILLO *JUAN ESCOBAR*  
  
REP. BOB GRIGGS

SEN. KEI BAKER

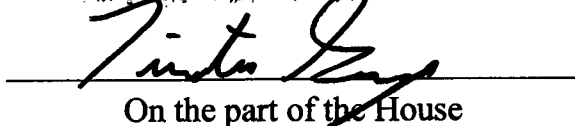


SEN. CHRIS HARRIS

  
On the part of the Senate

SEN FRANK MADLA

REP. NORMA CHAVEZ

  
On the part of the House

REP TIMOTEO GARZA

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CONFERENCE COMMITTEE REPORT

H.B. No. 3420

A BILL TO BE ENTITLED

AN ACT

relating to a set-aside for certain colonia access roadway projects proposed by rural border counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1403, Government Code, is amended by adding Sections 1403.003 and 1403.004 to read as follows:

Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL BORDER COUNTIES. (a) In this section:

(1) "Border colonia" means a border colonia as defined by commission rule under Section 1403.002.

(2) "Rural border county" means a county that:

(A) has a population of less than 55,000; and

(B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to 10 percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a

1 priority basis to a rural border county that proposes to pave for  
2 the first time a road serving a border colonia located in that  
3 county.

4 Sec. 1403.004. USE OF GRANTS FOR PROJECT MATERIALS OR  
5 EQUIPMENT. A grant under this chapter may be used to purchase any  
6 materials or to lease any equipment as reasonably necessary to  
7 accomplish the goal of the project. Materials purchased as  
8 permitted by this section must be used solely in connection with the  
9 project. Equipment leased as permitted by this section must be used  
10 substantially in connection with the project throughout the period  
11 of the applicable lease.

12 SECTION 2. The change in law made by this Act applies to  
13 proceeds from the sale of general obligation bonds and notes that  
14 are distributed under Chapter 1403, Government Code, as amended by  
15 this Act, on or after the effective date of this Act.

16 SECTION 3. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2003.

**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

***HOUSE***

***SENATE***

***CONFERENCE***

**SECTION 1** amends Chapter 1403 of the Government Code by adding Section 1403.003, as follows:

**SECTION 1** Same as House except adds Section 1403.004

**SECTION 1** Same as Senate

**Sec. 1403.003.** Establishes a set-aside for colonias located in rural border counties, as defined by the commission under Sec . 1403.002.(a)

**Sec. 1403.003.** Same as House

**Sec. 1403.003.** Same as House

**1403.003 (a) (1)** defines a “Border Colonia” as boirder colonia as defined by commission rule in Section 1403.002.

**Sec. 1403.003.(a)** Same as House

**Sec. 1403.003. (a)** Same as House

**1403.003 (a) (2)** defines “Rural Border County” as a county that (A) has a population of less than 55,000 and (B) is adjacent to an international river.

**Sec. 1403.003.(a) (2)** Same as House

**Sec. 1403.003 (a) (2).** Same as House

**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

**1403.003 (a) (3)** defines “set-aside” as a reservation of a portion of the proceeds from the sale of general obligation bonds and notes to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

**Sec. 1403.003 (b)** establishes that the authority, as directed by the Texas Department of Transportation, shall set-aside an amount equal to ten percent (10%) of the proceeds from general obligation funds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

SENATE

**Sec. 1403.003.(a) (3)** Same as House

**Sec. 1403.003.(b)** Same as House, except its sets the amount of set aside at five percent (5%).

CONFERENCE

**Sec. 1403.003 (a) (3).** Same as House

**Sec. 1403.003 (b)** Same as House, establishing set aside at ten percent (10%)



**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

**Sec. 1403.003 (c)** establishes that the authority shall provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county. The grant could be used to build water or wastewater facilities concurrently with the project.

**Sec. 1403.003 (d)** a grant under this section could be used to purchase ant materials or equipment reasonably necessary to accomplish the goal of the project of a county

SENATE

**Sec. 1403.003.(c)** Same as House, except it removed the ability to use funds for water and wastewater facilities.

Strikes through **Sec. 1403.003 (d)** except for the word **‘county’**

CONFERENCE

**Sec. 1403.003 (c)** Same as Senate

**Sec. 1403.003 (d)** Same as Senate

**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

SENATE

CONFERENCE

Adds **Sec. 1403.004**. Establishes the use of grants for project materials and equipment. A grant under this chapter may be used to purchase any materials or to lease any equipment reasonably necessary to accomplish the goal of the project. Materials purchased as permitted by this section must be used solely in connection with the project. Equipment leased as permitted by this section must be used substantially in connection with the project throughout the period of the applicable lease.

**Adds Sec. 1403.004** Same as Senate

**SECTION 2.** Establishes the change in law made by this Act applies to proceeds from the sale of general obligation bonds and notes that are distributed under Chapter 1403, Government Code, as amended by this Act, on or after the effective date of this Act.

**SECTION 2.** Same as House Version

**SECTION 2.** Same as House Version

**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

**HOUSE**

**SECTION 3.** This section establishes that the act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

**SENATE**

**SECTION 3.** Same as House Version

**CONFERENCE**

**SECTION 3.** Same as House Version

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

~~MAY 30, 2003~~  
~~MAY 30, 2003~~  
Date

**ADOPTED**

30-0  
MAY 31 2003 R

*Leticia Dewhurst*  
Secretary of the Senate

Honorable David Dewhurst  
President of the Senate

Honorable Tom Craddick  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HD 3420 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

*Eddie Lucio*  
SEN. EDDIE LUCIO

*Ryan Guillen*  
REP. RYAN GUILLEN

SEN. LETICIA VAN DE PUTTE

~~REP. BOB GRIGGS~~ *Juan Escobar*

SEN. KIM BRIMER

REP. BOB GRIGGS

SEN. CHRIS HARRIS

REP. NORMA CHAVEZ

*Frank Madla*  
On the part of the Senate

*Timoteo Garza*  
On the part of the House

SEN FRANK MADLA

REP TIMOTEO GARZA

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MAY 30 2003

5:25 pm

CONFERENCE COMMITTEE REPORT

H.B. No. 3420

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AN ACT

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(A) has a population of less than 55,000; and

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(b) The authority shall set aside an amount equal to 10 percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a

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19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2003.

**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

***HOUSE***

***SENATE***

***CONFERENCE***

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**SECTION 1** Same as House except adds Section 1403.004

**SECTION 1** Same as Senate

**Sec. 1403.003.** Establishes a set-aside for colonias located in rural border counties, as defined by the commission under Sec . 1403.002.(a)

**Sec. 1403.003.** Same as House

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**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

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SENATE

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CONFERENCE

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**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

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**Sec. 1403.003 (d)** a grant under this section could be used to purchase ant materials or equipment reasonably necessary to accomplish the goal of the project of a county

SENATE

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Strikes through **Sec. 1403.003 (d)** except for the word ‘**county**’

CONFERENCE

**Sec. 1403.003 (c)** Same as Senate

**Sec. 1403.003 (d)** Same as Senate

**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

SENATE

CONFERENCE

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**Adds Sec. 1403.004** Same as Senate

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**SECTION 2.** Same as House Version

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**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

**HOUSE**

**SECTION 3.** This section establishes that the act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

**SENATE**

**SECTION 3.** Same as House Version

**CONFERENCE**

**SECTION 3.** Same as House Version

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

~~MAY 30, 2003~~  
~~MAY 30, 2003~~

Date

HOUSE OF REPRESENTATIVES

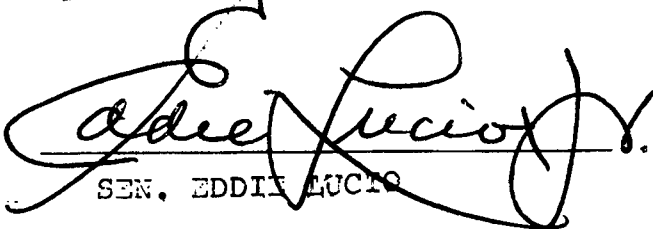
03 MAY 30 PM 7:15

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President of the Senate

Honorable Tom Craddick  
Speaker of the House of Representatives

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SEN. EDDIE LUCIO

  
REP. RYAN GUILLEN

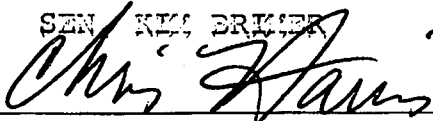
SEN. LETICIA VAN DE PUTTE

REP. GABRIEL CANALES

JUAN ESCOBAR

REP. BOB GRIGGS

SEN. KIM BRIKEN



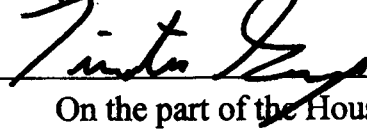
SEN. CHRIS HARRIS



On the part of the Senate

SEN. FRANK MADIA

REP. NORMA CHAVEZ



On the part of the House

REP. TIMOTEO GARZA

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# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 3420

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AN ACT

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**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

***HOUSE***

***SENATE***

***CONFERENCE***

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**House Bill 3420**  
*Conference Committee Report*  
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SENATE

**Sec. 1403.003.(a) (3)** Same as House

**Sec. 1403.003.(b)** Same as House, except its sets the amount of set aside at five percent (5%).

CONFERENCE

**Sec. 1403.003 (a) (3).** Same as House

**Sec. 1403.003 (b)** Same as House, establishing set aside at ten percent (10%)



**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

**Sec. 1403.003 (c)** establishes that the authority shall provide a grant from the set-aside on a priority basis to a rural border county that proposes to pave for the first time a road serving a border colonia located in that county. The grant could be used to build water or wastewater facilities concurrently with the project.

**Sec. 1403.003 (d)** a grant under this section could be used to purchase ant materials or equipment reasonably necessary to accomplish the goal of the project of a county

SENATE

**Sec. 1403.003.(c)** Same as House, except it removed the ability to use funds for water and wastewater facilities.

Strikes through **Sec. 1403.003 (d)** except for the word 'county'

CONFERENCE

**Sec. 1403.003 (c)** Same as Senate

**Sec. 1403.003 (d)** Same as Senate

**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

SENATE

CONFERENCE

Adds Sec. 1403.004. Establishes the use of grants for project materials and equipment. A grant under this chapter may be used to purchase any materials or to lease any equipment reasonably necessary to accomplish the goal of the project. Materials purchased as permitted by this section must be used solely in connection with the project. Equipment leased as permitted by this section must be used substantially in connection with the project throughout the period of the applicable lease.

**Adds Sec. 1403.004** Same as Senate

**SECTION 2.** Establishes the change in law made by this Act applies to proceeds from the sale of general obligation bonds and notes that are distributed under Chapter 1403, Government Code, as amended by this Act, on or after the effective date of this Act.

**SECTION 2.** Same as House Version

**SECTION 2.** Same as House Version

**House Bill 3420**  
*Conference Committee Report*  
*Section by Section Analysis*

HOUSE

**SECTION 3.** This section establishes that the act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

SENATE

**SECTION 3.** Same as House Version

CONFERENCE

**SECTION 3.** Same as House Version

ENROLLED

F

H.B. No. 3420

AN ACT

relating to a set-aside for certain colonia access roadway projects proposed by rural border counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1403, Government Code, is amended by adding Sections 1403.003 and 1403.004 to read as follows:

Sec. 1403.003. SET-ASIDE FOR COLONIAS LOCATED IN RURAL BORDER COUNTIES. (a) In this section:

(1) "Border colonia" means a border colonia as defined by commission rule under Section 1403.002.

(2) "Rural border county" means a county that:

(A) has a population of less than 55,000; and

(B) is adjacent to an international border.

(3) "Set-aside" means a reservation of a portion of the proceeds from the sale of general obligation bonds and notes under this chapter to provide financial assistance for specific colonia access roadway projects proposed by rural border counties.

(b) The authority shall set aside an amount equal to 10 percent of the proceeds from each sale of general obligation bonds and notes under this chapter to provide financial assistance for colonia access roadway projects designed to pave roads serving border colonias located in rural border counties.

(c) The authority, as directed by the Texas Department of Transportation, shall provide a grant from the set-aside on a

1 priority basis to a rural border county that proposes to pave for  
2 the first time a road serving a border colonia located in that  
3 county.

4 Sec. 1403.004. USE OF GRANTS FOR PROJECT MATERIALS OR  
5 EQUIPMENT. A grant under this chapter may be used to purchase any  
6 materials or to lease any equipment as reasonably necessary to  
7 accomplish the goal of the project. Materials purchased as  
8 permitted by this section must be used solely in connection with the  
9 project. Equipment leased as permitted by this section must be used  
10 substantially in connection with the project throughout the period  
11 of the applicable lease.

12 SECTION 2. The change in law made by this Act applies to  
13 proceeds from the sale of general obligation bonds and notes that  
14 are distributed under Chapter 1403, Government Code, as amended by  
15 this Act, on or after the effective date of this Act.

16 SECTION 3. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2003.

H.B. No. 3420

---

President of the Senate

---

Speaker of the House

I certify that H.B. No. 3420 was passed by the House on May 2, 2003, by the following vote: Yeas 126, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3420 on May 29, 2003, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3420 on May 31, 2003, by the following vote: Yeas 146, Nays 0, 1 present, not voting.

---

Chief Clerk of the House

H.B. No. 3420

I certify that H.B. No. 3420 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3420 on May 31, 2003, by the following vote: Yeas 30, Nays 0.

---

Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

---

Governor

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 3420<sup>(1)</sup> was passed by the House on

May 2<sup>(2)</sup>, 2003, by the following vote:

Yeas 126<sup>(3)</sup>, Nays 0<sup>(4)</sup>, 2 present, not voting

that the House refused to concur in Senate amendments to H.B. No. 3420  
on May 29<sup>(5)</sup>, 2003, and requested the

appointment of a conference committee to consider the differences

between the two houses; and that the House adopted the conference

committee report on H.B. No. 3420 on May 31<sup>(6)</sup>, 2003, by

the following vote: Yeas 146<sup>(7)</sup>, Nays 0<sup>(8)</sup>, 1 present, not voting

\_\_\_\_\_  
Chief Clerk of the House

\*\*\*\* Preparation: CT43;

I certify that H.B. No. 3420<sup>(1)</sup> was passed by the Senate, with

amendments, on May 28<sup>(2)</sup>, 2003, by the following

vote: Yeas 31<sup>(3)</sup>, Nays 0<sup>(4)</sup>

at the request of the House, the Senate appointed a conference

committee to consider the differences between the two houses;

and that the Senate adopted the conference committee report on

H.B. No. 3420 on May 31<sup>(5)</sup>, 2003, by the following vote:

Yeas 30<sup>(6)</sup>, Nays 0<sup>(7)</sup>

\_\_\_\_\_  
Secretary of the Senate

APPROVED:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

\*\*\*\* Preparation: CT44;



78TH LEGISLATURE

COAUTHOR AUTHORIZATION

(please request your coauthors to sign this form  
in lieu of the front or the back of the original bill)

Bill or Resolution Number: HB 3420

273  
signature of primary author

Timoteo Garza  
printed name of primary author

MAR 14 2003  
Date

PERMISSION TO SIGN HB 3420 HAS BEEN GIVEN TO (check only one of the following):  
(bill or resolution #)  
☒ ALL REPRESENTATIVES  
☐ THE FOLLOWING REPRESENTATIVE(S):

I authorize the Chief Clerk to include my name as a coauthor of the legislation indicated above:

A2115 Allen	Date	A2450 Cook, Byron	Date	A2795 Farabee	Date
A2125 Alonzo	Date	A2565 Cook, Robert "Robby"	Date	A2810 Farrar	Date
A2160 Bailey	Date	A2595 Corte	Date	A2840 Flores	Date
A2170 Baxter	Date	A2605 Crabb	Date	A2850 Flynn	Date
A2205 Berman	Date	A2610 Craddick	Date	A2920 Gallego	Date
A2230 Bohac	Date	A2640 Crownover	Date	A2925 Garza	Date
A2250 Bonnen	Date	A2620 Davis, John	Date	A2960 Gattis	Date
A2280 Branch	Date	A2625 Davis, Yvonne	Date	A2945 Geren	Date
A2265 Brown, Betty	Date	A2635 Dawson	Date	A2935 Giddings	Date
A2270 Brown, Fred	Date	A2680 Delisi	Date	A2985 Goodman	Date
A2255 Burnam	Date	A3385 Denny	Date	A2990 Goolsby	Date
A2295 Callegari	Date	A2690 Deshotel	Date	A3010 Griggs	Date
A2290 Campbell	Date	A2705 Driver	Date	A3020 Grusendorf	Date
A2350 Canales	Date	A2665 Dukes	Date	A3045 Guillen	Date
A2300 Capelo	Date	A2660 Dunnam	Date	A3030 Gutierrez	Date
A2490 Casteel	Date	A2650 Dutton	Date	A3035 Haggerty	Date
A2495 Castro	Date	A2770 Edwards	Date	A3050 Hamilton	Date
A2585 Chavez	Date	A2775 Eiland	Date	A2695 Hamric	Date
A2480 Chisum	Date	A2780 Eissler	Date	A3160 Hardcastle	Date
A2525 Christian	Date	A2785 Elkins	Date	A3165 Harper-Brown	Date
A2435 Coleman	Date	A2790 Ellis	Date	A3170 Hartnett	Date

A3180 Heflin	Date	A3715 Madden	Date	A4220 Riddle	Date
A3190 Hegar	Date	A3750 Marchant	Date	A4250 Ritter	Date
A3250 Hilderbran	Date	A2835 Martinez Fischer	Date	A4270 Rodriguez	Date
A3275 Hill	Date	A3665 McCall	Date	A4350 Rose	Date
A3305 Hochberg	Date	A3650 McClendon	Date	A4420 Seaman	Date
A3290 Hodge	Date	A3845 McReynolds	Date	A4525 Smith, Todd	Date
A3325 Homer	Date	A3830 Menendez	Date	A4540 Smith, Wayne	Date
A3320 Hope	Date	A3815 Mercer	Date	A4530 Smithee	Date
A3330 Hopson	Date	A3840 Merritt	Date	A4550 Solis	Date
A3315 Howard	Date	A3835 Miller	Date	A4505 Solomons	Date
A3340 Hughes	Date	A3855 Moreno, Joe	Date	A4560 Stick	Date
A3355 Hunter	Date	A3860 Moreno, Paul	Date	A4570 Swinford	Date
A3360 Hupp	Date	A3870 Morrison	Date	A4585 Talton	Date
A3375 Isett	Date	A3865 Mowery	Date	A4600 Taylor	Date
A3405 Jones, Delwin	Date	A3885 Naishtat	Date	A4605 Telford	Date
A3420 Jones, Elizabeth	Date	A3895 Nixon	Date	A4630 Thompson	Date
A3400 Jones, Jesse	Date	A3900 Noriega	Date	A4650 Truitt	Date
A3475 Keel	Date	A3880 Oliveira	Date	A4685 Turner	Date
A3410 Keffer, Bill	Date	A3886 Olivo	Date	A4695 Uresti	Date
A3480 Keffer, Jim	Date	A4100 Paxton	Date	A4700 Van Arsdale	Date
A3470 King	Date	A4140 Pena	Date	A4800 Villarreal	Date
A3495 Kolkhorst	Date	A4160 Phillips	Date	A4995 West	Date
A3485 Krusee	Date	A4180 Pickett	Date	A5000 Wilson	Date
A3450 Kuempel	Date	A4185 Pitts	Date	A5020 Wise	Date
A3510 Laney	Date	A4200 Puente	Date	A5015 Wohlgemuth	Date
A3540 Laubenberg	Date	A4230 Quintanilla	Date	A4980 Wolens	Date
A3605 Lewis	Date	A4240 Rangel	Date	A4985 Wong	Date
A3620 Luna	Date	A4215 Raymond	Date	A5005 Woolley	Date
A3700 Mabry	Date	A4236 Reyna	Date	A5150 Zedler	Date

JOINT AUTHOR AUTHORIZATION

As primary author of HB 3420 I hereby authorize the following joint author(s):  
(bill or resolution #)

RYAN GUILLEN  
printed name of joint author #1

Ryan Guillen  
signature of joint author #1  
4/14

\_\_\_\_\_  
printed name of joint author #2

\_\_\_\_\_  
signature of joint author #2

\_\_\_\_\_  
printed name of joint author #3

\_\_\_\_\_  
signature of joint author #3

\_\_\_\_\_  
printed name of joint author #4

\_\_\_\_\_  
signature of joint author #4

Tim J.  
signature of primary author

4-14-03  
date

H.B. No. 3420 By Paul E. Ryan

A BILL TO BE ENTITLED  
AN ACT

relating to a set-aside for certain colonia access roadway projects  
proposed by rural counties.

MAR 14 2003 Filed with the Chief Clerk

APR 01 2003 Read first time and referred to Committee on Border and International Affairs

APR 16 2003 Reported favorably ~~(unfavorably)~~  
(as substituted)

APR 23 2003 Sent to Committee on ~~(Colonias)~~  
(Local & Consent Calendars)

MAY 02 2003 Read second time (comm. subst.) ~~(amended)~~ <sup>(amended)</sup>, passed to third reading ~~(failed)~~ by a (non-record vote)  
(~~unanimous consent~~ or ~~unanimous consent~~ ~~present, not voting~~)

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend)  
by a vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting

MAY 02 2003 Read third time ~~(amended)~~; finally passed ~~(failed to pass)~~ by a ~~(unanimous consent)~~  
(record vote of 126 yeas, 0 nays, 2 present, not voting)

MAY 05 2003 Engrossed

MAY 05 2003 Sent to Senate

Robert Haney  
CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

MAY 05 2003 Received from the House

MAY 07 2003 Read and referred to Committee on INTERNATIONAL RELATIONS & TRADE

Reported favorably \_\_\_\_\_

MAY 20 2003 Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

MAY 28 2003 Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)  
(\_\_\_\_\_ yeas, \_\_\_\_\_ nays)

MAY 28 2003 Read second time, \_\_\_\_\_, and passed to third reading by (unanimous consent)  
(a viva voce vote)  
(\_\_\_\_\_ yeas, \_\_\_\_\_ nays)

MAY 28 2003 Senate and Constitutional 3 Day Rules suspended by a vote of 31 yeas, 0 nays

MAY 28 2003 Read third time, \_\_\_\_\_, and passed by (a viva voce vote)  
(31 yeas, 0 nays)

May 28, 2003 Returned to the House

Larry Spaw  
SECRETARY OF THE SENATE

OTHER SENATE ACTION:

MAY 28 2003

Returned from the Senate (as substituted)  
(with amendments)

House concurred in Senate amendments by a (non-record vote)  
(record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

MAY 29 2003

House refused to concur in Senate amendments and requested the appointment of a conference committee  
by a (non-record vote) (record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

MAY 29 2003

House conferees appointed: Garza, Chair; Guillen,  
Griggs, Escobar, Chavez

MAY 31 2003

Senate granted House request. Senate conferees appointed: Lucio, Chair;  
Vandeventer, Brimer, Harris, Matla

MAY 31 2003

Conference committee report adopted (record vote of 146 yeas, 0 nays, \_\_\_\_\_ present, not voting)

May 31 2003  
JUN 01 2003

Conference committee report adopted (record vote of 30 yeas, 0 nays)

92 JUN 23 11 21 AM '03